



**STATE OF NEVADA
COMMISSION ON ETHICS**

<http://ethics.nv.gov>

**Wednesday, August 29, 2007
9:30 a.m.**

**Nevada Legislative Building
401 S. Carson Street, Room 3138
Carson City, NV 89701**

MINUTES

These minutes constitute a summary of the above proceedings of the Nevada Commission on Ethics.
A verbatim transcript of the open session proceedings, prepared by a certified court reporter,
is available for inspection at the Commission offices in Carson City and Las Vegas.

Commission Members Present:

Jim Kosinski, Esq., Chairman; Mark Hutchison, Esq., Vice Chairman;
Randall Capurro; Timothy Cashman; William Flangas;
Rick Hsu, Esq.; Caren Jenkins, Esq.; George Keele, Esq.

Commission Members absent during certain agenda items, due to their participation in the Panel
Proceeding for those specific cases, and/or due to other commitment:
Agenda items 1 and 2: Jim Kosinski, Esq., Chairman; George Keele, Esq.

Commission on Ethics Staff Present:

Adriana G. Fralick, Esq., General Counsel
Emily H. Nunez, Office Manager
Matt Di Orio, Senior Investigator
Tami DeVries, Research Analyst

Others Present:

Michael Carrigan, Councilman, City of Sparks;
Doug Thornley and David Creekman, Counsel for Michael Carrigan

Witness subpoenaed by the NCOE:

Carlos Vasquez

Other witnesses (subpoenaed on behalf of Mr. Carrigan but not called to testify):

Beth Cooney; Jeannie Adams; James Valline; James deProse

Other members of the public were present as well.

Vice Chairman Hutchison called the meeting to order at 9:30 a.m., Wednesday, August 29, 2007.

Agenda Item 1 – Open session to approve the minutes of the July 12, 2007 and July 19, 2007, Commission meetings.

Vice Chair Hutchison opened the agenda item to approve the minutes of the July 12, 2007 and July 19, 2007 Commission meetings. Commissioner Jenkins moved approval of the minutes as presented. Commissioner Cashman seconded the motion. The motion was put to a vote and passed unanimously.

Agenda Item 2 – Open session to hear testimony, receive evidence, deliberate and render an opinion relating to Request for Opinion Nos. 06-61, 06-62, 06-66, 06-68

Vice Chair Hutchison opened the agenda item to hear testimony, receive evidence, deliberate and render an opinion relating to requests for opinions submitted pursuant to NRS 281.511(2)(b), alleging that certain conduct of Michael Carrigan, Councilman, City of Sparks, violated the provisions of NRS 281.501(2), NRS 281.501(4), and NRS 281.481(2).

Commissioner Cashman made disclosure regarding his involvement with Summerset, LLC, and stated that he has never met Mr. Carrigan, and does not have any relationship with him either personally or professionally. He then stated that he carefully reviewed the facts and felt that his consideration of the case would not be materially affected in any way and that he could objectively rule on the merits without prejudice.

Commissioner Hsu made a disclosure that he never met Mr. Carrigan, does not know him personally, however as an attorney, he was involved in litigation involving Carlos Vasquez. Commissioner Hsu stated that he reviewed the case closely, and he did not believe the independence of judgment of a reasonable person in his situation would be materially affected and that he could remain impartial in the matter.

Vice Chair Hutchison then asked Mr. Carrigan and his counsel if they had any objection to either Commissioner Cashman or Commissioner Hsu participating in the matter. Mr. Thornley confirmed that they had no objections. Vice Chair Hutchison then proceeded to explain to Mr. Carrigan and his counsel that the proceeding is an administrative hearing and explained the protocol in which the hearing would take place. Vice Chair Hutchison proceeded to have an oath administered to the witnesses and the subject.

Vice Chair Hutchison then advised Mr. Thornley that he was denying the motion to dismiss and would allow the Commission to hear the evidence and render its decision. He then considered the stipulated facts that were presented by Mr. Carrigan's counsel. Commissioner Jenkins moved that the Commission accept only the stipulated facts numbered 1-9, 16 and 17. Commissioner Hsu seconded the motion. The motion was put to a vote and passed unanimously. Vice Chair Hutchison clarified for the record that facts 10, 11, 12, 13, 14 and 15 are not stipulated.

Vice Chair Hutchison then invited Mr. Thornley to provide his opening statement. The Commission then called its first witness, Michael Carrigan, to testify.

A recess was taken at 11:20 a.m. and testimony reconvened at 11:31 a.m.

Councilman Carrigan was cross-examined by his counsel, Mr. Thornley. The Commission then called its next witness, Carlos Vasquez, to testify and was cross-examined by counsel for Mr. Carrigan. Following cross-examination, Mr. Thornley advised the Commission that they would release their other witnesses, and confirmed that counsel would be resting. The witnesses were called to the room and were released from their subpoenas.

A lunch break was taken at 12:46 p.m., and the meeting reconvened at 1:33 p.m.

Vice Chair Hutchison closed the testimony portion of the hearing and allowed Mr. Carrigan's counsel to make a motion. Mr. Thornley motioned that Commissioner Flangas disclose his relationship with Alex Flangas for the record. Mr. Thornley stated that Alex Flangas is a partner at Hale Lane law firm, which is representing the Nugget and concerned citizens who are suing the City of Sparks. Vice Chair Hutchison allowed the motion. Commissioner Flangas made a disclosure that he believes Alex Flangas is a third cousin, and that Commissioner Flangas has "...no idea where Alex Flangas's law activities are, who he works for and who he is connected with and whatever connection he might have with this case." Mr. Thornley confirmed that they were satisfied with this disclosure.

Vice Chair Hutchison then allowed Mr. Carrigan's counsel to make a closing statement. Following Mr. Thornley and Mr. Creekman's closing statements, Vice Chair Hutchison closed this portion of the hearing and opened the Commission for deliberations.

The Commission first considered whether Councilman Carrigan violated NRS 281.481, subsection 2 as to using his official position to secure or grant unwarranted privileges, preferences or advantages for himself or a person to whom he has a commitment in a private capacity to the interests of that person when he voted on the Lazy 8 matter. Commissioner Jenkins moved that the Commission on Ethics find no violation of NRS 281.481 subsection 2 based on the information and evidence provided. Commissioner Capurro seconded the motion. The motion was put to a vote and passed 5 to 1. Commissioner Flangas opposed.

The Commission then considered NRS 281.501 subsection 4, to consider if Councilman Carrigan's relationship with Mr. Vasquez is a relationship enumerated in NRS 281.501 subsection 8. If so, whether Councilman Carrigan failed to sufficiently disclose his relationship. Commissioner Capurro moved that the Commission find that Councilman Carrigan did not violate NRS 281.501 subsection 4. Commissioner Hsu seconded the motion. The motion was put to a vote and passed 4 to 1. Commissioners Flangas and Hutchison opposed.

A recess was taken at 2:28 p.m., and deliberations reconvened at 2:33 p.m.

With regard to NRS 281.501 subsection 2, the Commission considered whether Councilman Carrigan should have abstained from acting on or voting on the Lazy 8 matter. Commissioner

Jenkins moved that a preponderance of the evidence shows that Councilman Carrigan should have abstained from the vote on the Lazy 8 matter on August 23rd, 2006. Commissioner Capurro seconded the motion. The motion was put to a vote and passed unanimously.

The Commission then considered whether or not the violation was willful. Commissioner Jenkins moved that the Commission find that Councilman Carrigan's violation of NRS 281.501 subsection 2 was not willful. Commissioner Hsu seconded the motion. The motion was put to a vote and passed 5 to 1. Commissioner Flangas opposed.

Vice Chair Hutchison made one last comment to Councilman Carrigan and advised him to look at NRS 281.551 subsection 5, which provides the safe harbor provisions where if there are any questions in the future, he has a way of and a process to address them. Vice Chairman Hutchison then closed this agenda item at 3:15 p.m.

The meeting reconvened at 3:22 p.m. Chairman Kosinski and Commissioner Keele were now present.

Agenda Item 3 – Open session for discussion and possible action regarding the Executive Director's Annual Report

Chairman Kosinski opened this agenda item. Commissioner Jenkins commented about ministerial and substantive changes that she would like to make to the report, and would be providing those changes to staff with concurrence from the Chair. Chairman Kosinski agreed with her and there were no objections from other Commissioners. Further discussions took place with regard to the history of the commission and whether a letter should go out with the annual report to see if individuals would prefer an electronic copy of the report. No other action was taken, and Chairman Kosinski closed this agenda item.

Agenda Item 4 – Open session for discussion and possible action regarding the status of the recruitment for the Executive Director position, and to appoint a subcommittee for the purpose of selecting qualified candidates to be interviewed

Chairman Kosinski opened this agenda item and stated that he would like to have a subcommittee in the south and one in the north to review the applications and interview candidates who they think might qualify for the position of executive director and then make recommendations to the full commission. After further discussion by the Commission, Chairman Kosinski stated that he would be contacting subcommittee members and would schedule subcommittee meetings prior to the September 21 meeting to determine who they want to interview and to conduct an initial interview before determining who will be invited to interview on September 21, 2007 before the full commission. No other action was taken, and Chairman Kosinski closed this agenda item.

Agenda Item 5 – Open session for discussion and possible action regarding appointing an interim Executive Director for the Commission on Ethics

Chairman Kosinski opened this agenda item and moved that the Commission appoint Adriana [General Counsel] as interim executive director. Vice Chair Hutchison seconded the motion. The Commission then discussed compensation to pay Adriana accordingly, as a result of this temporary appointment. The motion to appoint Adriana was then put to a vote and passed unanimously. Chairman Kosinski closed this agenda item, and then moved to agenda item 8.

Agenda Item 6 – Open session for discussion and possible action regarding the chain-of-command for Commission Counsel

No action taken on this item.

Agenda Item 7 – Open session for review of Request for Opinion Log

No action taken on this item.

Agenda Item 8 – Closed session

Closed session pursuant to NRS 241.015(2)(b)(2), to receive information from commission counsel regarding potential litigation involving a matter over which the Commission has supervision, control, jurisdiction or advisory power and to deliberate toward a decision on the matter, or both.

Agenda Item 9 – Open session for Chairman's Comments

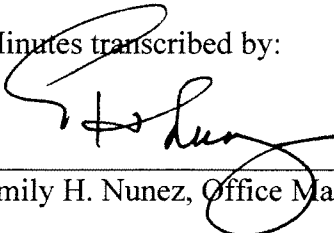
No action taken on this item.

Agenda Item 10 – Open session for public comment

Chairman Kosinski opened the agenda item for public comment. No public comment was made, and the agenda item was closed.

Chairman Kosinski adjourned the meeting at 5:00 p.m.

Minutes transcribed by:



Emily H. Nunez, Office Manager

Minutes approved November 14, 2007



Jim Kosinski, Chairman